

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

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FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC 9576

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FOR ASSISTANT SECRETARY ROGERS FROM THE AMBASSADOR

EO 11652 GDS

TAGS: PFOR, VE

SUBJ: THIRD-COUNTRY ISSUES

REF: STATE 172095

1. THERE IS ONLY MODERATE INTEREST HERE IN THE DISMANTLING OF THE OAS SANCTIONS. THE GOV HAS TAKEN ITS DECISION ON CUBA AND DISPLAYS NO EMBARRASSMENT. WE DETECT SOME CONTINUING RESENTMENT OF THE ROLE THE US PLAYED OR FAILED TO PLAY AT QUITO AND OUR SUPPORT FOR FREEDOM OF ACTION AT SAN JOSE MIGHT DISSIPATE THAT TO SOME EXTENT. BUT IN SUM, THIS IS NO LONGER A KEY ISSUE AND THE SOLUTION NOW AT HAND IS NOT GOING TO HAVE MUCH EFFECT EITHER WAY ON OUR RELATIONS WITH VENEZUELA.

2. RECIPROCAL MOVES BETWEEN THE US AND CUBA WOULD BE MILDLY WELCOME TO THE GOV AS A VINDICATION OF VENEZUELA'S OWN DECISION IN THAT AREA. INFLUENTIAL ELEMENTS IN AND OUT OF THE GOVT (RANGING FROM GUMERSINDO RODRIGUEZ AND PEREZ GUERRERO TO CALVANI AND CALDERA) WOULD LOOK WITH FAVOR ON SUCH MOVES AS INDICATING A MORE MATURE AND LESS PATERNALISTIC US POLICY IN LATIN AMERICA -- AS SIGNALLING THAT THE US IS MOVING TOWARD THE NON-IDEOLOGICAL "UNIVERSALISM" THEY ADVOCATE. BUT THE

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REACTION WOULD NOT BE ALL OF ONE PIECE. THERE IS A SURPRISINGLY

STRONG RESIDUE OF ANTAGONISM AND FEAR HERE WHEN IT COMES TO CUBA. SOME OF THE OLD HANDS IN ACCION DEMOCRATICA AND IN THE MILITARY, ALTHOUGH PREPARED RELUCTANTLY TO SEE THE GOV MOVE TOWARD RAPPROACHEMENT, WOULD NOT BE HAPPY IF WE DID THE SAME. THEY ARE QUITE CONTENT WITH "PERPETUAL HOSTILITY, REGARDING THAT STATE OF AFFAIRS AS SOMEHOW OFFERING A SAFEGUARD FOR VENEZUELA. BUT ON BALANCE, AN OPENING TOWARD CUBA WOULD PROBABLY BE A MINOR PLUS.

3. SYMPATHY FOR PANAMA IS STRONG AND WIDESPREAD IN VENEZUELA. THE COUNTRY'S ECONOMIC INTEREST IN THE OPERATION OF THE CANAL IS SEEN AS SLIGHT AND THE FEELING THAT WE HAVE TREATED A SMALL NEIGHBOR BADLY DOMINATES THE LOCAL VIEW OF THE ISSUE. MORE IMPORTANTLY, CARLOS ANDRES PEREZ IS FIRMLY COMMITTED ON THIS ONE. HE AND HIS ASSOCIATES REGARD OUTSPOKEN SUPPORT FOR THE GOP AS AN IMPORTANT ELEMENT IN THEIR STRATEGY OF PROMOTING REGIONAL AND THIRD-WORLD SOLIDARITY-- A STRATEGY OF SELF-PROTECTION ON THE ISSUE OF PETROLEUM PRICES. A NEW TREATY WOULD BE HAILED INITIALLY BY THE GOV AS A VICTORY FOR SOLIDARITY, BUT IN THE LONG RUN IT WOULD DEPRIVE THESE RATHER NERVOUS STRATEGISTS OF AN ISSUE THEY FIND MOST USEFUL. IT WOULD ALSO STRENGTHEN THE HANDS OF THOSE LIKE THE FOREIGN MINISTER WHO ADVOCATE A LESS CONFRONTATIONAL RELATIONSHIP WITH US.

4. TO A DEGREE, THE EFFECT OF A FAILED NEGOTIATION WOULD DEPEND ON WHERE THE GOV WAS IN THE PROCESS OF PETROLEUM NATIONALIZATION. IF THAT PROCESS WERE AT A DELICATE STATE, THERE WOULD PROBABLY BE AN EFFORT TO MUTE THE REACTION SOMEWHAT. BUT THE INTERNAL POLITICAL HEAT WOULD BE STRONG AND THE TEMPTATION TO HAMMER US FOR LATIN AMERICAN AND THIRD-WORLD EFFECT WOULD BE ALMOST IRRESISTIBLE. THE FALL-OUT FROM A HARSH VENEZUELAN POSITION COULD WELL AFFECT OUR RELATIONS ACROSS THE BOARD. IN BRIEF, THIS IS AN IMPORTANT ISSUE HERE AND WE CAN EXPECT LITTLE UNDERSTANDING IN THE EVENT OF FAILURE.

5. THERE IS NOTMUCH MORE TO BE SAID ABOUT THE OPEC EXCLUSION. THE GOV AT THIS POINT PROBABLY DOES NOT EXPECT THE CONGRESS TO ACT FAVORABLY ANY TIME SOON. THE CURRENT VENEZUELAN POSE IS ONE OF SORROW RATHER THAN ANGER THAT WE SHOULD PERSIST IN A PATTERN OF DISCRIMINATION AGAINST THIS COUNTRY. IF THE EXECUTIVE

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CONTINUES TO WORK FOR REMOVAL OF THIS PARTICULAR PIECE OF DISCRIMINATION, THE PROBLEM MAY CONTINUE TO LIE AT REST FOR A TIME, BUT IT WILL BE HELD IN RESERVE FOR EFFECTIVE USE AGAINST US AT THE TACTICALLY APPROPRIATE MOMENT.

6. IN CONCLUSION, I CAN STATE THE OBVIOUS. THE OVERRIDING ISSUE HERE IS THE FUTURE OF THE PETROLEUM RELATIONSHIP BETWEEN THE TWO COUNTRIES. IF THAT ONE COMES OUT WELL THE OTHER

PROBLEMS WILL TEND TO FADE IN TIME. YET THE "OVERALL PATTERN OR MOOD" IS IMPORTANT BILATERALLY JUST BECAUSE VENEZUELA HAS CHOSEN "SOLIDARITY" AND OCCASIONAL CONFRONTATION AS ITS STRATEGY. IF THE "MOOD" IN THE HEMISPHERE IS GOOD THAT STRATEGY WILL BE LESS ATTRACTIVE, AND OUR EFFORTS TO CONSTRUCT A HEALTHY AND MORE PRODUCTIVE RELATIONSHIP WITH THIS COUNTRY WILL BE MORE LIKELY TO PROSPER.

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